

JOHN WAIHEE
GOVERNOR

DIRECTOR'S OFFICE
DEPT. OF
TRANSPORTATION

FEB 11 1 50 PM '92



Dept. of Transportation (2)

ROBERT P. TAKUSHI
DEPUTY COMPTROLLER

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES

P. O. BOX 119
HONOLULU, HAWAII 96810-0119

February 11, 1992

COMPTROLLER'S MEMORANDUM NO. 1992-7

TO: Heads of Departments
ATTN.: Payroll/Personnel Offices
FROM: Russel S. Nagata, Comptroller
SUBJECT: Change in Issuance of U.S. Savings Bonds

Attached for your advance information is a copy of a notice that is being prepared for each State employee with a payroll deduction for U.S. Savings Bonds.

This notice will be dated February 18, 1992, and the notices prepared for employees in your department will be sent to your payroll office for distribution on that date. Please distribute the notices to each affected employee, whose name, social security number, and payroll number will be printed at the top of the notice.

In the past, in some cases, when similar notices have been sent to departments for distribution to employees, our staff has received complaints that the notices were not promptly distributed. Because of the payroll nature of this notice, it is important that it be distributed to employees as soon as the notices are received. We will appreciate your help in ensuring the prompt distribution of these notices within your department.

A handwritten signature in black ink, appearing to read "Russel S. Nagata", is written over a circular stamp.

RUSSEL S. NAGATA
Comptroller

Attachment

Distribution made by PER

NOTICE FROM STATE COMPTROLLER
TO EMPLOYEES WITH SAVINGS BOND DEDUCTIONS

UNDER CURRENT PAYROLL PROCEDURES, SAVINGS BONDS THAT ARE PURCHASED WITH YOUR PAYROLL DEDUCTIONS ARE ISSUED TO YOU BY OUR OFFICE HERE IN HONOLULU. THE MAILINGS ARE DONE ONCE EACH MONTH, USUALLY WITHIN THE FIRST FEW WORKING DAYS AFTER THE END OF THE MONTH. THE SAVINGS BONDS THAT ARE MAILED COVER ALL THOSE THAT WERE PURCHASED WITH DEDUCTIONS THAT HAD ACCUMULATED UP THROUGH THE END OF THAT MONTH.

THE FEDERAL RESERVE BANK OF SAN FRANCISCO (FRB-SF) IS NOW OFFERING A FREE SERVICE FOR BOTH PRINTING AND MAILING SAVINGS BONDS, AND WE ARE JOINING THE GROWING NUMBER OF EMPLOYERS TAKING ADVANTAGE OF THOSE BENEFITS. UNDER THE ARRANGEMENT WITH FRB-SF, WE WILL NO LONGER NEED TO MAINTAIN, IN HONOLULU, AN INVENTORY OF BLANK SAVINGS BOND FORMS OR AN INVENTORY OF SPECIAL MAILING ENVELOPES, MAKING THE ARRANGEMENT MORE EFFICIENT AS WELL AS LESS COSTLY.

OUR CENTRAL PAYROLL SERVICES TO EMPLOYING AGENCIES WILL CONTINUE UNCHANGED UNDER THE ARRANGEMENT WITH FRB-SF. THESE SERVICES INCLUDE ASSISTANCE WHEN SAVINGS BONDS ARE NOT RECEIVED BY AN EMPLOYEE, OR WHEN THEY ARE RECEIVED BUT SUBSEQUENTLY LOST OR DESTROYED.

THE ARRANGEMENT WITH FRB-SF DOES, HOWEVER, CHANGE THE CUT-OFF TIME FOR PURCHASING SAVINGS BONDS WITH ACCUMULATED PAYROLL DEDUCTIONS; THE CUT-OFF TIME IS CHANGED FROM THE END-OF-MONTH PAYROLL TO THE MID-MONTH PAYROLL. FOR EXAMPLE, IN THE MONTH OF MARCH, PAYROLL DEDUCTIONS ACCUMULATED THROUGH THE MID-MARCH PAYROLL WILL BE APPLIED TO THE PURCHASE OF SAVINGS BONDS FOR THE MONTH OF MARCH; PAYROLL DEDUCTIONS ACCUMULATED AT THE END-OF-MARCH PAYROLL WILL BE ADDED TO ACCUMULATIONS FOR SUBSEQUENT PURCHASES. THIS CHANGE IS NECESSARY TO MEET FRB-SF'S REQUIREMENT THAT IT RECEIVE PAYROLL DEDUCTIONS BY THE LAST DAY OF A MONTH FOR THE SAVINGS BONDS TO BE PURCHASED FOR THAT MONTH. OF COURSE, YOU WILL CONTINUE TO HAVE FULL DISCLOSURE ON EACH PAYROLL EARNINGS STATEMENT YOU RECEIVE, REGARDING THE DEDUCTION AMOUNT, THE NUMBER OF BONDS ISSUED FOR THAT MONTH, AND ANY REMAINING AMOUNT CARRIED OVER FOR THE SUBSEQUENT PURCHASES.

THE TRANSITION FROM THE CURRENT ARRANGEMENT TO THE NEW ARRANGEMENT WILL OCCUR IN MARCH 1992. SAVINGS BONDS ISSUED FOR FEBRUARY 1992 WILL THEREFORE BE THE LAST ONES ISSUED UNDER THE CURRENT ARRANGEMENT. SAVINGS BONDS ISSUED FOR MARCH 1992 WILL BE THE FIRST ONES UNDER THE NEW ARRANGEMENT, AND THEY WILL BE ISSUED FROM DEDUCTIONS MADE THROUGH THE MID-MARCH PAYROLL. IF YOU WOULD HAVE RECEIVED A MARCH SAVINGS BOND UNDER THE CURRENT ARRANGEMENT BUT DO NOT RECEIVE ONE FOR MARCH UNDER THE NEW ARRANGEMENT, THE NEW MID-MONTH CUT-OFF WILL PROBABLY BE THE REASON.

IT WILL BE IMPORTANT FOR YOU TO PAY CLOSE ATTENTION TO YOUR SAVINGS BOND DEDUCTIONS AND TO YOUR RECEIPT OF SAVINGS BONDS FOR SEVERAL MONTHS, UNTIL YOU ARE ACCUSTOMED TO THE CHANGED PATTERN. IF YOU HAVE QUESTIONS, YOU SHOULD CONTACT YOUR PAYROLL/PERSONNEL OFFICE. THANK YOU FOR YOUR COOPERATION AS THIS CHANGE IS MADE.